

BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

C-122-858

Certain Softwood Lumber Products from Canada: Preliminary Results of Countervailing Duty Expedited Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) is conducting an expedited review of the countervailing duty (CVD) order on certain softwood lumber products (softwood lumber) from Canada for the producers/exporters that requested a review. Interested parties are invited to comment on these preliminary results.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Kristen Johnson or Nicholas Czajkowski, AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4793 and (202) 482-1395, respectively.

SUPPLEMENTARY INFORMATION:

Background

On January 3, 2018, Commerce published the CVD order on softwood lumber from Canada.<sup>1</sup> On March 1, 2018, in accordance with 19 CFR 351.214(k), Commerce initiated an

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<sup>1</sup> See *Certain Softwood Lumber Products from Canada: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 83 FR 347 (January 3, 2018) (*Order*).

expedited review of the *Order* for 34 companies that requested a review.<sup>2</sup> Subsequently, 25 companies withdrew their requests for a review, and Commerce published a notice of partial rescission of this expedited review on March 21, 2018.<sup>3</sup> For a listing of the companies for which a review is being conducted, *see* the “Preliminary Results of Review” section of this notice below. The period of review is January 1, 2015, through December 31, 2015.

For a complete description of the events that followed the initiation of this expedited review, *see* the Preliminary Decision Memorandum.<sup>4</sup> The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content.

### Scope of the Order

The product covered by this *Order* is certain softwood lumber from Canada. A full description of the scope of the *Order* is contained in the Preliminary Decision Memorandum.

### Methodology

Commerce is conducting this expedited review in accordance with 19 CFR 351.214(k). For each subsidy program found countervailable, we preliminarily find that there is a subsidy,

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<sup>2</sup> *See Certain Softwood Lumber Products from Canada: Initiation of Expedited Review of the Countervailing Duty Order*, 83 FR 9833 (March 8, 2018) (*Initiation Notice*).

<sup>3</sup> *See Certain Softwood Lumber Products from Canada: Partial Rescission of Expedited Review of the Countervailing Duty Order*, 83 FR 23424 (May 21, 2018).

<sup>4</sup> *See* Memorandum, “Decision Memorandum for the Preliminary Results of Expedited Review of the Countervailing Duty Order on Certain Softwood Lumber Products from Canada,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

*i.e.*, a financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>5</sup> For a full description of the methodology underlying the preliminary conclusions, *see* the Preliminary Decision Memorandum. A list of topics discussed in the Preliminary Decision Memorandum is provided in the Appendix to this notice. We calculated a CVD rate for each producer/exporter of the subject merchandise that requested an expedited review.

#### Preliminary Results of Review

We preliminarily determine that the following estimated net countervailable subsidy rates exist for the following producers/exporters for which this expedited review is being conducted:

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<sup>5</sup> *See* sections 771(5)(B) and (D) of the Tariff Act of 1930, as amended (the Act) regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

| <b>Producer/Exporter</b>  | <b>Subsidy Rate</b> |
|---|---------------------|
| Fontaine Inc. and its cross-owned affiliates <sup>6</sup>                                     | 1.28%               |
| Les Produits Forestiers D&G Ltée and its cross-owned affiliates <sup>7</sup>                  | 0.21%*              |
| Marcel Lauzon Inc. and its cross-owned affiliates <sup>8</sup>                                | 0.42%*              |
| Mobilier Rustique (Beauce) Inc. and its cross-owned affiliates <sup>9</sup>                   | 1.99%               |
| North American Forest Products Ltd. and its cross-owned affiliates <sup>10</sup>              | 0.26%*              |
| Produits Matra Inc. and Sechoirs de Beauce Inc. and their cross-owned affiliate <sup>11</sup> | 5.80%               |
| Roland Boulanger & Cie Ltée and its cross-owned affiliates <sup>12</sup>                      | 0.31%*              |
| Scierie Alexandre Lemay & Fils Inc. and its cross-owned affiliates <sup>13</sup>              | 0.05%*              |

*\*de minimis subsidy rate*

### Cash Deposit Instructions

Pursuant to section 19 CFR 351.214(k)(3)(iii), the final results of this expedited review will not be the basis for the assessment of countervailing duties. Upon issuing the final results, Commerce intends to instruct Customs and Border Protection to collect cash deposits of estimated countervailing duties for the companies subject to this expedited review, at the rates shown above, on shipments of subject merchandise entered, or withdrawn from warehouse, for

<sup>6</sup> Commerce preliminarily finds the following companies to be cross-owned with Fontaine Inc.: Gestion Natanis Inc., Les Placements Jean-Paul Fontaine Ltée, and Placements Nicolas Fontaine Inc.

<sup>7</sup> Commerce preliminarily finds the following companies to be cross-owned with Les Produits Forestiers D&G Ltée: Le Groupe Gesco-Star Ltée, Les Produits Forestiers Portbec Ltée, and Les Produits Forestiers Startrees Ltée.

<sup>8</sup> Commerce preliminarily finds the following companies to be cross-owned with Marcel Lauzon Inc.: Placements Marcel Lauzon Ltée and Investissements LRC Inc.

<sup>9</sup> Commerce preliminarily finds the following companies to be cross-owned with Mobilier Rustique (Beauce) Inc.: J.F.S.R. Inc., Gestion C.A. Rancourt Inc., Gestion J.F. Rancourt Inc., Gestion Suzie Rancourt Inc., Gestion P.H.Q. Inc., 9331-3419 Quebec Inc., 9331-3468 Quebec Inc., and SPQ Inc.

<sup>10</sup> Commerce preliminarily finds the following companies to be cross-owned with North American Forest Products Ltd.: Parent-Violette Gestion Ltée and Le Groupe Parent Ltée.

<sup>11</sup> Commerce preliminarily finds Bois Ouvre de Beauceville (1992), Inc. to be cross-owned with Produits Matra, Inc. and Sechoirs de Beauce Inc. Produits Matra Inc. and Sechoirs de Beauce Inc. submitted separate requests for the expedited review; however, based on record evidence, we found them to be cross-owned, and therefore are calculating a single countervailing duty rate for both.

<sup>12</sup> Commerce preliminarily finds the following companies to be cross-owned with Roland Boulanger & Cie Ltée: Industries Daveluyville, Inc. and Les Manufacturiers Warwick Ltée.

<sup>13</sup> Commerce preliminarily finds the following companies to be cross-owned with Scierie Alexandre Lemay & Fils Inc.: Bois Lemay Inc. and Industrie Lemay Inc.

consumption on or after the date of publication of the final results of this expedited review.

These cash deposit requirements, when imposed, shall remain in effect until further notice.

Pursuant to 19 CFR 351.214(k)(3)(iv), however, if a company has a final net countervailable subsidy rate of zero or *de minimis*, it will be excluded from the *Order*.

#### Disclosure and Public Comment

Commerce will disclose to the parties in this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of this notice.<sup>14</sup>

Interested parties may submit written arguments (case briefs) on the preliminary results no later than 30 days from the date of publication of this *Federal Register* notice, and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.<sup>15</sup> Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) statement of the issue, (2) a brief summary of the argument, and (3) a table of authorities.

Interested parties who wish to request a hearing must submit a written request within 30 days after the date of publication of this notice.<sup>16</sup> Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If Commerce receives a request for a hearing, we will inform parties of the scheduled date for the hearing, which will be held at the main Department of Commerce building at a time and location to be determined.<sup>17</sup> Parties should confirm by telephone the date, time, and location of the hearing. Briefs and hearing requests are to be filed electronically using ACCESS and must be received successfully in their entirety by 5:00 pm Eastern Time on the due date.

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<sup>14</sup> See 19 CFR 351.224(b).

<sup>15</sup> See 19 CFR 351.309(c)(1)(ii); 351.309(d)(1); and 19 CFR 351.303 (for general filing requirements).

<sup>16</sup> See 19 CFR 351.310(c).

<sup>17</sup> See 19 CFR 351.310.

Unless the deadline is extended pursuant to 19 CFR 351.214(h), Commerce intends to issue the final results of this expedited review, including the results of its analysis of the issues raised in any written briefs, within 90 days after the date on which these preliminary results are issued.

Notification to Interested Parties

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.214(k).

Dated: December 21, 2018

P. Lee Smith  
Deputy Assistant Secretary  
for Policy and Negotiations

## **Appendix**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Subsidies Valuation
- V. Analysis of Programs
- VI. Conclusion

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